Evergreen Steel Corporation

Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Opinion

We have audited the accompanying financial statements of Evergreen Steel Corporation (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2023 are described as follows:

Contract Revenue Recognition

The Company's contract revenue mainly comes from providing steel structure engineering contracting business; during the contract period, the project revenue is recognized based on the degree of completion. Contract revenue recognition from construction depends on the degree of completion of the contract which involves subjective judgment which may result in profit or loss or certain risks that are not recognized in the correct period. Therefore, we identified contract revenue recognition with risk characteristics as a key audit matter.

The main audit procedures that we performed for testing the contract revenue recognition are as follows:

1. We obtained an understanding of the design and implementation of the Company's contract revenue evaluation method and control system by performing control tests.

2. We selected samples of the contract revenue with risk characteristics in the current year which are subject to detailed tests including checking the price accepted by the customers with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying the correctness of the contract revenue recognition.

3. We performed an analytical review of contract revenue and performed a retrospective review of construction costs.

Refer to Note 4 to the financial statements for the accounting policy on the assessment of construction contracts. Refer to Notes 5 and 23 for critical accounting judgments and key sources of estimation uncertainty.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ching-Hsia Chang and Yung-Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

EVERGREEN STEEL CORPORATION

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,101,349	7	$ 774,052	3
Financial assets at amortized cost - current (Notes 4 and 8)	996,000	4	566,000	2
Contract assets - current (Notes 4, 21, 23 and 29)	2,729,598	10	2,995,342	12
Notes receivable, net (Notes 4 and 21)	40,755	-	97,624	1
Trade receivables, net (Notes 4, 9 and 21)	589,978	2	986,739	4
Trade receivables from related parties, net (Notes 4, 9, 21 and 29)	31,716	-	31,111	-
Other receivables (Note 29)	27,194	-	27,487	-
Inventories (Notes 4, 10 and 21)	3,901,326	14	3,075,372	12
Other current assets (Note 15)	78,267	-	32,339	-
Total current assets	10,496,183	37	8,586,066	34
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	10,673,375	38	9,814,285	40
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	5,010	-	3,600	-
Investments accounted for using equity method (Notes 4 and 11)	4,430,270	16	4,026,939	16
Property, plant and equipment (Notes 4, 12 and 30)	2,305,891	8	2,317,450	10
Right-of-use assets (Notes 4 and 13)	30,304	-	48,983	-
Investment properties (Notes 4 and 14)	7,102	-	7,102	-
Intangible assets (Note 4)	4,262	-	4,670	-
Deferred tax assets (Notes 4 and 25)	36,248	-	63,479	-
Refundable deposits	9,673	-	9,565	-
Net defined benefit assets - non-current (Notes 4 and 20)	58,218	-	54,217	-
Other non-current assets (Note 15)	64,086	1	10,261	-
Total non-current assets	17,624,439	63	16,360,551	66
TOTAL	$ 28,120,622	100	$ 24,946,617	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4, 21 and 23)	$ 1,819,757	6	$ 1,038,140	4
Notes payable, net (Note 21)	259,041	1	267,916	1
Trade payables, net (Notes 17, 21 and 29)	1,044,419	4	1,045,623	4
Other payables (Notes 18 and 29)	217,695	1	214,936	1
Current tax liabilities (Notes 4 and 25)	260,337	1	42,921	-
Provisions - current (Notes 4 and 19)	66,046	-	71,737	-
Lease liabilities - current (Notes 4 and 13)	16,980	-	24,903	-
Current portion of long-term borrowings (Note 16)	-	-	150,000	1
Other current liabilities	34,411	-	31,825	-
Total current liabilities	3,718,686	13	2,888,001	11
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	-	-	350,000	2
Deferred tax liabilities (Notes 4 and 25)	82,201	1	81,400	-
Lease liabilities - non-current (Notes 4 and 13)	9,462	-	20,798	-
Other non-current liabilities	232	-	330	-
Total non-current liabilities	91,895	1	452,528	2
Total liabilities	3,810,581	14	3,340,529	13
EQUITY (Note 22)				
Share capital				
Ordinary shares	4,170,915	15	4,170,915	17
Capital surplus	1,319,674	4	1,319,454	5
Retained earnings				
Legal reserve	2,708,324	10	2,441,847	10
Unappropriated earnings	9,597,333	34	8,106,299	32
Total retained earnings	12,305,657	44	10,548,146	42
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(666)	-	(362)	-
Unrealized gain on financial assets at fair value through other comprehensive income	6,514,461	23	5,567,935	23
Total other equity	6,513,795	23	5,567,573	23
Total equity	24,310,041	86	21,606,088	87
TOTAL	$ 28,120,622	100	$ 24,946,617	100

The accompanying notes are an integral part of the financial statements.

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 23 and 29)	$ 8,192,540	100	$ 9,039,860	100
OPERATING COSTS (Notes 10, 20, 24 and 29)	(5,925,787)	(72)	(7,515,827)	(83)
GROSS PROFIT	2,266,753	28	1,524,033	17
OPERATING EXPENSES (Notes 20, 24 and 29)				
Selling and marketing expenses	(282,646)	(3)	(280,987)	(3)
General and administrative expenses	(169,816)	(2)	(156,642)	(2)
Expected credit gain (Notes 9 and 23)	21,898	-	11,853	-
Total operating expenses	(430,564)	(5)	(425,776)	(5)
PROFIT FROM OPERATIONS	1,836,189	23	1,098,257	12
NON-OPERATING INCOME AND EXPENSES				
Interest income	26,527	-	10,321	-
Other income (Notes 24 and 29)	1,279,683	16	838,635	10
Other (losses) gains (Note 24)	(1,398)	-	5,843	-
Finance costs (Note 24)	(4,603)	-	(8,210)	-
Share of profit of subsidiaries accounted for using equity method	914,506	11	739,302	8
Total non-operating income and expenses	2,214,715	27	1,585,891	18
PROFIT BEFORE INCOME TAX	4,050,904	50	2,684,148	30
INCOME TAX EXPENSE (Note 25)	(381,090)	(5)	(89,471)	(1)
NET PROFIT FOR THE YEAR	3,669,814	45	2,594,677	29
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(2,293)	-	25,207	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,122,410	13	(2,968,782)	(33)
Share of the other comprehensive income of subsidiaries accounted for using equity method	(895)	-	2,104	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	458	-	(5,041)	-
	1,119,680	13	(2,946,512)	(33)

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ (379)	-	$ 135	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 25)	75	-	(27)	-
	(304)	-	108	-
Other comprehensive income (loss) for the year, net of income tax	1,119,376	13	(2,946,404)	(33)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 4,789,190	58	$ (351,727)	(4)
EARNINGS PER SHARE (Note 26)				
Basic	$ 8.80		$ 6.22	
Diluted	$ 8.79		$ 6.22	

The accompanying notes are an integral part of the financial statements. (Concluded)

EVERGREEN STEEL CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings		Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	419,982	$ 4,199,820	$ 1,340,352	$ 2,294,939	$ 6,839,705	$ (470)	$ 8,584,546	$ (49,938)	$ 23,208,954
Appropriation and distribution of 2021 retain earnings									
Legal reserve	-	-	-	146,908	(146,908)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,251,274)	-	-	-	(1,251,274)
Dividends from claims extinguished by prescription	-	-	135	-	-	-	-	-	135
Net profit for the year ended December 31, 2022	-	-	-	-	2,594,677	-	-	-	2,594,677
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	22,270	108	(2,968,782)	-	(2,946,404)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,616,947	108	(2,968,782)	-	(351,727)
Cancelation of treasury shares	(2,891)	(28,905)	(21,033)	-	-	-	-	49,938	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	47,829	-	(47,829)	-	-
BALANCE AT DECEMBER 31, 2022	417,091	4,170,915	1,319,454	2,441,847	8,106,299	(362)	5,567,935	-	21,606,088
Appropriation and distribution of 2022 retain earnings									
Legal reserve	-	-	-	266,477	(266,477)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,085,457)	-	-	-	(2,085,457)
Dividends from claims extinguished by prescription	-	-	220	-	-	-	-	-	220
Net profit for the year ended December 31, 2023	-	-	-	-	3,669,814	-	-	-	3,669,814
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(2,730)	(304)	1,122,410	-	1,119,376
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,667,084	(304)	1,122,410	-	4,789,190
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	175,884	-	(175,884)	-	-
BALANCE AT DECEMBER 31, 2023	417,091	$ 4,170,915	$ 1,319,674	$ 2,708,324	$ 9,597,333	$ (666)	$ 6,514,461	$ -	$ 24,310,041

The accompanying notes are an integral part of the financial statements.

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,050,904	$ 2,684,148
Adjustments for:		
Depreciation expense	151,028	154,170
Amortization expense	4,052	3,207
Expected credit reversed gain recognized on trade receivables	(21,898)	(11,853)
Finance costs	4,603	8,210
Interest income	(26,527)	(10,321)
Dividend income	(1,267,643)	(830,706)
Share of profit of subsidiaries accounted for using equity method	(914,506)	(739,302)
Gain on disposal of property, plant and equipment	(266)	(178)
Gain on disposal of investment properties	-	(6,517)
Net loss on disposal of inventories	-	10,491
Gain on lease modification	(4)	(14)
Other income	-	(679)
Changes in operating assets and liabilities		
Decrease in contract assets	286,922	289,671
Decrease (increase) in notes receivable	56,869	(59,465)
Decrease in trade receivables	396,876	554,405
Decrease (increase) in other receivables	1,729	(5,053)
(Increase) decrease in inventories	(825,954)	57,303
(Increase) decrease in other current assets	(46,445)	24,490
Increase in net defined benefit assets	(6,294)	(28,462)
Increase (decrease) in contract liabilities	781,617	(342,577)
Decrease in notes payable	(8,875)	(122,586)
Decrease in trade payables	(1,204)	(592,759)
Decrease in other payables	(20,542)	(8,949)
(Decrease) increase in provisions	(5,691)	10,329
Increase (decrease) in other current liabilities	2,586	(1,067)
Decrease in other non-current liabilities	(98)	(61)
Cash generated from operations	2,591,239	1,035,875
Interest received	25,091	9,683
Interest paid	(4,883)	(8,136)
Income tax paid	(135,109)	(177,932)
Net cash generated from operating activities	2,476,338	859,490

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 298,343	$ 81,082
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,165	231,637
Purchase of financial assets at amortized cost	(431,410)	(566,000)
Payments for property, plant and equipment	(144,816)	(49,071)
Proceeds from disposal of property, plant and equipment	266	178
Increase in refundable deposits	(108)	(2,494)
Payments for intangible assets	(3,126)	(2,189)
Proceeds from disposal of investment properties	-	7,238
Dividends received	1,267,643	830,706
Dividends received from subsidiaries	471,710	469,509
Net cash generated from investing activities	1,461,667	1,000,596
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(100,000)
Repayments of bills payable	-	(449,937)
Repayments of long-term borrowings	(500,000)	-
Decrease in guarantee deposits	-	(45)
Repayment of principal portion of lease liabilities	(25,471)	(24,665)
Repayments of cash dividend	(2,085,457)	(1,251,274)
Dividends from claims extinguished by prescription	220	135
Net cash used in financing activities	(2,610,708)	(1,825,786)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,327,297	34,300
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	774,052	739,752
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,101,349	$ 774,052

The accompanying notes are an integral part of the financial statements. (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

EVERGREEN STEEL CORPORATION

1. GENERAL INFORMATION

Evergreen Steel Corporation (the "Company") was incorporated in January 1973 as a company limited by shares under the Company Law of the Republic of China. The Company is mainly engaged in the steel structure engineering business. The Company's steel structure engineering business mainly includes engineering projects for factories, tall buildings and bridges. Since April 12, 2021, the Company's shares have been listed on the Taiwan Stock Exchange.

The financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 13, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of above standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of above standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Company engages in the construction business, which has an operating cycle of over one year, and the normal operating cycle applies when considering the classification of the Company's construction-related assets and liabilities.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the functional currencies of the parent company and its foreign operations (including subsidiaries and associates that use currencies which are different from the currency of the parent company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies and inventory in transit. Inventories are stated at the lower of cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of such assets is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. Reversals of impairment loss are recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits and commercial paper with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost including trade receivables and contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Onerous contracts

Onerous contracts are those in which the Company’s unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions. In assessing whether a contract is onerous, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are related directly to fulfilling contracts.

2) Warranties

The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts. The Company sets out the provisions according to the warranty expenditure expected to occur during the warranty period. If the preparation is not enough, the current year’s expenses shall be included.

m. Revenue recognition

The Company identifies contracts with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Construction contracts revenue

The Company recognizes revenue over time during the construction process. Because the cost of unit of the installation completion of the construction is directly related to fulfilling performance obligation, the Company uses the cost of unit of installation as the estimated total output incurred. The cost ratio is used to measure the progress of the completion, and after the inspection of the installation of the construction, income and cost are relatively recognized. The Company gradually recognizes contract assets during the construction process and transfers the amount to accounts receivable when issuing invoices. If the payment received for the construction project exceeds the amount, the difference is recognized as contract liability. The project retention fund is withheld by the customer as stated in the contract to ensure that the Company completes all contractual obligations and is recognized as contract assets until the Company satisfies the performance obligations.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from providing container repair, renovation and storage services. Such service revenue is recognized when performance obligations are satisfied.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit asset are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit asset represents the actual surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Construction Contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date as the estimated total contract costs. Under the IFRS 15, incentives and penalties are considered as variables and shall be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total output units, total costs and contractual items are assessed and determined by management based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts. Please refer to Note 23 for related information.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 2,915	$ 2,915
Checking accounts and demand deposits	259,490	121,137
Cash equivalents		
Time deposits	1,339,917	650,000
Commercial paper	499,027	-
	$ 2,101,349	$ 774,052

7. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2023	**2022**
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 8,928,191	$ 8,785,760
Unlisted shares	1,570,068	869,705
Foreign investments		
Unlisted shares	175,116	158,820
	$ 10,673,375	$ 9,814,285

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes.

The Company sold its investments in 2023 and 2022 and transferred a gain of $175,884 thousand and $47,829 thousand, respectively, from other equity to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	**2022**
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 996,000	566,000
Non-Current		
Domestic investments		
Pledge deposits	$ 5,010	$ 3,600

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLES

	December 31	
	2023	2022
Trade receivables (including trade receivables from related parties)		
At amortized cost		
Gross carrying amount	$ 621,742	$ 1,018,618
Less: Allowance for impairment loss	(48)	(768)
	$ 621,694	$ 1,017,850

The average credit period on sales of goods is 0 to 120 days. In determining the recoverability of a trade receivable, the Company considers the changes in the credit quality of the trade receivable since the date of credit was initially granted to the end of the reporting period. The allowance for bad debts refers to the past arrears records of the counterparty and the analysis of its current financial status to estimate the amount that cannot be recovered.

Except for individual customers who provide provision for losses when there is an obvious sign of impairment, the Company applies the simplified approach for the allowance of expected credit loss prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial positions.

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. The Company directly recognizes the impairment loss of related accounts receivable. The Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the Company's aging of trade receivables.

December 31, 2023

	Amount Without Sign of Default		Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days		
Expected credit loss rate	-	0.04%	-	
Gross carrying amount	$ 494,157	$ 127,585	$ -	$ 621,742
Loss allowance (Lifetime ECL)	(3)	(45)	-	(48)
Amortized cost	$ 494,154	$ 127,540	$ -	$ 621,694

December 31, 2022

	Amount Without Sign of Default		Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days		
Expected credit loss rate	0.06%	1.42%	-	
Gross carrying amount	$ 1,005,925	$ 12,693	$ -	$ 1,018,618
Loss allowance (Lifetime ECL)	(588)	(180)	-	(768)
Amortized cost	$ 1,005,337	$ 12,513	$ -	$ 1,017,850

The above is an aging analysis based on the account opening date.

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 768	$ -
Add: Net remeasurement of loss allowance (reversed)	(720)	768
Balance at December 31	$ 48	$ 768

10. INVENTORIES

	December 31	
	2023	2022
Raw material	$ 3,897,117	$ 3,069,957
Supplies	4,209	5,415
	$ 3,901,326	$ 3,075,372

The costs of inventories recognized as operating cost for the years ended December 31, 2023 and 2022 were $5,790,801 thousand and $7,373,578 thousand, respectively. The operating costs, which included the inventory write-downs for the year ended December 31, 2022 was $10,491 thousand.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

Name of Subsidiaries	December 31	
	2023	2022
Hsin Yung Enterprise Corporation	$ 1,967,083	$ 1,893,245
Super Max Engineering Enterprise Co., Ltd.	1,008,568	976,753
Ever Ecove Corporation	1,202,316	905,731
Ming Yu Investment Corporation	252,303	251,210
	$ 4,430,270	$ 4,026,939

Name of Subsidiaries	Proportion of Ownership and Voting Rights December 31 2023	2022
Hsin Yung Enterprise Corporation	68.46%	68.46%
Super Max Engineering Enterprise Co., Ltd.	48.13%	48.13%
Ever Ecove Corporation	50.06%	50.06%
Ming Yu Investment Corporation	100.00%	100.00%

The investments in subsidiaries accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 was based on the subsidiaries' audited financial statements for the years then ended.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2023	$ 1,375,099	$ 156,372	$ 1,493,124	$ 874,503	$ 75,844	$ 83,178	$ 4,058,120
Additions	-	-	44,044	50,607	-	9,837	104,488
Disposals	-	-	-	(20,944)	(3,457)	(3,715)	(28,116)
Reclassification	-	-	-	10,086	-	-	10,086
Balance at December 31, 2023	$ 1,375,099	$ 156,372	$ 1,537,168	$ 914,252	$ 72,387	$ 89,300	$ 4,144,578
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ 132,542	$ 982,486	$ 519,590	$ 56,227	$ 49,825	$ 1,740,670
Disposals	-	-	-	(20,944)	(3,457)	(3,715)	(28,116)
Depreciation expense	-	3,783	43,554	61,938	5,964	10,894	126,133
Balance at December 31, 2023	$ -	$ 136,325	$ 1,026,040	$ 560,584	$ 58,734	$ 57,004	$ 1,838,687
Carrying amount at December 31, 2023	$ 1,375,099	$ 20,047	$ 511,128	$ 353,668	$ 13,653	$ 32,296	$ 2,305,891
Cost							
Balance at January 1, 2022	$ 1,375,099	$ 156,372	$ 1,480,975	$ 857,548	$ 70,251	$ 65,964	$ 4,006,209
Additions	-	-	4,213	25,348	6,203	12,965	48,729
Disposals	-	-	-	(9,743)	(610)	(2,161)	(12,514)
Reclassification	-	-	7,936	1,350	-	6,410	15,696
Balance at December 31, 2022	$ 1,375,099	$ 156,372	$ 1,493,124	$ 874,503	$ 75,844	$ 83,178	$ 4,058,120
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ 127,998	$ 937,513	$ 462,831	$ 50,030	$ 44,192	$ 1,622,564
Disposals	-	-	-	(9,743)	(610)	(2,161)	(12,514)
Depreciation expense	-	4,544	44,973	66,502	6,807	7,794	130,620
Balance at December 31, 2022	$ -	$ 132,542	$ 982,486	$ 519,590	$ 56,227	$ 49,825	$ 1,740,670
Carrying amount at December 31, 2022	$ 1,375,099	$ 23,830	$ 510,638	$ 354,913	$ 19,617	$ 33,353	$ 2,317,450

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	10 years
Buildings	2-55 years
Machinery and equipment	3-20 years
Transportation equipment	5 years
Other equipment	3-7 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 30.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Land	$ 30,011	$ 47,911
Other equipment	293	1,072
	$ 30,304	$ 48,983

	For the Year Ended December 31	
	2023	**2022**
Additions to right-of-use assets	$ 6,905	$ 48,977
Depreciation charge for right-of-use assets		
Land	$ 24,024	$ 22,747
Other equipment	871	803
	$ 24,895	$ 23,550

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amount		
Current	$ 16,980	$ 24,903
Non-current	$ 9,462	$ 20,798

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
	0.878%-1.837%	0.878%-1.47%

c. Material leasing activities and terms

The Company leases land and equipment for the use of storage area and manufacturing with lease term of 2 to 5 years. The Company does not have bargain purchase options to acquire the leasehold land at the end of the lease term. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 12,052	$ 9,146
Total cash outflow for leases	$ 37,931	$ 34,231

14. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2023	$ 141,646
Additions	-
Disposals	-
Balance at December 31, 2023	$ 141,646
Accumulated depreciation and impairment	
Balance at January 1, 2023	$ (134,544)
Disposals	-
Balance at December 31, 2023	$ (134,544)
Carrying amount at December 31, 2023	$ 7,102
Cost	
Balance at January 1, 2022	$ 150,995
Additions	-
Disposals	(9,349)
Balance at December 31, 2022	$ 141,646

(Continued)

	Amount
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ (143,172)
Disposals	8,628
Balance at December 31, 2022	$ (134,544)
Carrying amount at December 31, 2022	$ 7,102

(Concluded)

The fair value of the investment real estate was evaluated by the management of the Company with reference to the transaction prices of market evidence for similar properties, it is fair value is as followed:

	December 31	
	2023	2022
Fair value	$ 10,522	$ 9,207

The Company sold part of the investment properties, which resulted in gain on disposal of $6,517 thousand stated as other gain (loss) in 2022.

15. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayments	$ 61,545	$ 22,886
Prepaid expenses	16,722	9,453
	$ 78,267	$ 32,339
Non-current		
Prepayments for equipment	$ 64,086	$ 10,261

16. LONG-TERM BORROWINGS

	December 31	
	2023	2022
Secured borrowings		
Bank loans	$ -	$ 500,000
Less: Current portions of long-term borrowing	-	(150,000)
	$ -	$ 350,000

(Continued)

	December 31	
	2023	2022
Expiry date	-	These borrowings are gradually expiring before the end of June 2024.
Interest rate range	-	1.60%-1.78%

(Concluded)

Refer to Note 30 for details of the collaterals pledged for the above long-term borrowings.

17. TRADE PAYABLES

The average credit period on purchases of certain goods is 30 to 90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Company, usually more than twelve months after the reporting period. Refer to Note 21 for maturity analysis of retentions payable.

18. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for annual leave	$ 32,653	$ 30,886
Payables for equipment	32,561	8,978
Payables for compensation of employees and remuneration of directors	26,945	20,600
Payables for transportation fees	19,703	18,345
Payables for taxes	15,556	14,433
Payables for insurance expenses	12,714	11,054
Others	77,563	110,640
	$ 217,695	$ 214,936

19. PROVISIONS

	December 31 2023	December 31 2022
Current		
Warranties*	$ 65,826	$ 62,493
Onerous contract - loss on construction	220	9,244
	$ 66,046	$ 71,737

* The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy. In May 2023, the Company was approved by the Bureau of the Taipei City Government to suspend the withdrawal of pension funds to the special account of the Bank of Taiwan. The suspension period will be from April 2023 to March 2024.

The amounts included in the independent balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31 2023	December 31 2022
Present value of defined benefit obligation	$ 304,298	$ 317,812
Fair value of plan assets	(362,516)	(372,029)
Net defined benefit asset	$ (58,218)	$ (54,217)

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Balance at January 1, 2023	$ 317,812	$ (372,029)	$ (54,217)
Service cost			
Current service cost	4,700	-	4,700
Net interest expense (income)	4,262	(5,183)	(921)
Recognized in profit or loss	8,962	(5,183)	3,779
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,608)	(2,608)
Actuarial loss - changes in financial assumptions	2,729	-	2,729
Actuarial loss - experience adjustments	2,172	-	2,172
Recognized in other comprehensive income	4,901	(2,608)	2,293
Contributions from the employer	-	(5,895)	(5,895)
Benefits paid	(23,199)	23,199	-
Company paid	(4,178)	-	(4,178)
Balance at December 31, 2023	$ 304,298	$ (362,516)	$ (58,218)
Balance at January 1, 2022	$ 339,563	$ (340,111)	$ (548)
Service cost			
Current service cost	5,029	-	5,029
Net interest expense (income)	2,122	(2,207)	(85)
Recognized in profit or loss	7,151	(2,207)	4,944
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(26,190)	(26,190)
Actuarial income - changes in financial assumptions	(6,465)	-	(6,465)
Actuarial loss - experience adjustments	7,448	-	7,448
Recognized in other comprehensive income	983	(26,190)	(25,207)
Contributions from the employer	-	(25,678)	(25,678)
Benefits paid	(22,157)	22,157	-
Company paid	(7,728)	-	(7,728)
Balance at December 31, 2022	$ 317,812	$ (372,029)	$ (54,217)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating cost	$ 1,807	$ 2,554
Operating expenses	1,972	2,390
	$ 3,779	$ 4,944

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
Discount rate(s)	1.250%	1.375%
Expected rate(s) of salary increase	2.5%	2.5%
Turnover rate	3%-7.5%	3%-7.5%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (5,418)	$ (5,924)
0.25% decrease	$ 5,579	$ 6,107
Expected rate(s) of salary increase		
0.25% increase	$ 5,411	$ 5,930
0.25% decrease	$ (5,282)	$ (5,782)

The sensitivity analysis previously presented may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plan for the next year	$ -	$ 25,435
Average duration of the defined benefit obligation	7.3 years	7.7 years

21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Company's assets and liabilities relating to the steel structure business was based on its operating cycle. The amount expected to be recovered or settled within one year after the reporting period and more than one year after the reporting period for related assets and liabilities were as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2023			
Assets			
Notes receivable	$ 40,755	$ -	$ 40,755
Trade receivables	588,989	-	588,989
Inventories	3,899,751	-	3,899,751
Contract assets - current	1,575,459	1,154,139	2,729,598
	$ 6,104,954	$ 1,154,139	$ 7,259,093
Liabilities			
Notes payable	$ 252,638	$ -	$ 252,638
Trade payables	913,864	115,880	1,029,744
Contract liabilities - current	1,819,757	-	1,819,757
	$ 2,986,259	$ 115,880	$ 3,102,139
December 31, 2022			
Assets			
Notes receivable	$ 97,624	$ -	$ 97,624
Trade receivables	985,508	-	985,508
Inventories	3,073,889	-	3,073,889
Contract assets - current	1,738,743	1,256,599	2,995,342
	$ 5,895,764	$ 1,256,599	$ 7,152,363
Liabilities			
Notes payable	$ 260,508	$ -	$ 260,508
Trade payables	947,474	83,260	1,030,734
Contract liabilities - current	1,038,140	-	1,038,140
	$ 2,246,122	$ 83,260	$ 2,329,382

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	440,000	440,000
Shares authorized	$ 4,400,000	$ 4,400,000
Number of shares issued and fully paid (in thousands)	417,091	417,091
Shares issued	$ 4,170,915	$ 4,170,915

On August 10, 2022, the board of directors resolved to cancel 2,891 thousand treasury shares. Furthermore, registration change was completed on September 27, 2022.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Additional paid-in capital		
Issuance of ordinary shares	$ 834,085	$ 834,085
From business combinations	51,598	51,598
Treasury share transactions	424,933	424,933
May only be used to offset a deficit		
Changes in ownership interests in subsidiaries (2)	8,510	8,510
Unclaimed dividends	548	328
	$ 1,319,674	$ 1,319,454

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors before and after amendment, please refer to f. employee benefits expense in Note 24.

On June 10, 2022, the Company held a shareholders' meeting and amended the Company's Articles of Incorporation, which stipulates that the special surplus reserve set aside in the preceding paragraph belongs to a part that has not been fully accumulated in the prior years, the same amount thereof shall be set aside for the special surplus reserve from the retained earnings accrued from prior years. If the special surplus reserve is still insufficient, the amount from the net income after taxes for the current period plus the items other than the net income after taxes for the current period shall be included in the amount of the retained earnings for the current period to be set aside for such a purpose. Before the amendment of the Articles of Incorporation, the Company has set aside the special surplus reserve from the retained earnings accrued from prior years in accordance with the regulations.

The Company's dividend policy also stipulates to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the parent company shall distribute dividends at no less than 50% of the net profit. The dividends may be distributed by either cash or shares, and cash dividends shall not be less than 50% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021, which were approved in shareholders' meetings on June 20, 2023 and June 10, 2022, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Legal reserve	$ 266,477	$ 146,908		
Cash dividends	2,085,457	1,251,274	$ 5	$ 3

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 13, 2024, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 384,297	
Cash dividends	2,711,095	$ 6.5

The appropriation of earnings for 2023 is subject to resolution in the shareholders' meeting to be held on May 27, 2024.

d. Treasury shares

	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2023	-
Additions	-
Less	-
Number of shares at December 31, 2023	-
Carrying amount at December 31, 2023	$ -
Number of shares at January 1, 2022	2,891
Additions	-
Less	(2,891)
Number of shares at December 31, 2022	-
Carrying amount at December 31, 2022	$ -

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Year Ended December 31	
	2023	2022
Construction contract revenue	$ 8,011,402	$ 8,857,305
Revenue from containers repair	181,138	182,555
	$ 8,192,540	$ 9,039,860

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets			
Properties construction	$ 788,509	$ 931,051	$ 1,471,732
Retention receivable	1,985,238	2,129,618	1,878,608
Less: Allowance for impairment loss	(44,149)	(65,327)	(77,948)
	$ 2,729,598	$ 2,995,342	$ 3,272,392
Contract liabilities			
Properties construction	$ 1,819,757	$ 1,038,140	$ 1,380,717

The movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 65,327	$ 77,948
Add: Net remeasurement of loss reversed	(21,178)	(12,621)
Balance at December 31	$ 44,149	$ 65,327

b. Partially completed contracts

As of December 31, 2023 and 2022, the transaction price allocated to contract performance obligations that have not been completed totaled $20,497,839 thousand and $16,255,276 thousand respectively. The Company shall gradually recognize revenues based on the completion status of the projects. The revenues from the contracts are expected to be recognized before the end of 2027.

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2023	2022
Dividend income	$ 1,267,643	$ 830,706
Rental income	1,879	3,028
Others (Note 29)	10,161	4,901
	$ 1,279,683	$ 838,635

b. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain on disposal of investment property	$ -	$ 6,517
Gain on disposal of property, plant and equipment	266	178
Net foreign exchange losses	(1,193)	(67)
Others	(471)	(785)
	$ (1,398)	$ 5,843

c. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 4,147	$ 7,233
Interest on commercial paper	48	557
Interest on lease liabilities	408	420
	$ 4,603	$ 8,210

d. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 126,133	$ 130,620
Right-of-use assets	24,895	23,550
Intangible assets	4,052	3,207
	$ 155,080	$ 157,377
An analysis of deprecation by function		
Operating costs	$ 144,241	$ 148,091
Operating expenses	6,787	6,079
	$ 151,028	$ 154,170
An analysis of amortization by function		
Operating costs	$ 262	$ 137
Operating expenses	3,790	3,070
	$ 4,052	$ 3,207

e. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 17,285	$ 16,800
Defined benefit plans (Note 20)	3,779	4,944
Other employee benefits	713,019	658,496
Total employee benefits expense	$ 734,083	$ 680,240
An analysis of employee benefits expense by function		
Operating costs	$ 364,320	$ 338,791
Operating expenses	369,763	341,449
	$ 734,083	$ 680,240

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 13, 2024 and March 10, 2023, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	0.50%	0.50%
Remuneration of directors	0.16%	0.26%

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	$ 20,450	$ 13,600
Remuneration of directors	6,495	7,000

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 365,875	$ 230,798
Income tax on unappropriated earnings	12,565	2,233
Shareholders' investment tax credits	(50,526)	(115,399)
Equipment's investment tax credits	(225)	-
Land value increment tax	-	550
Adjustment for prior year	24,836	(2,991)
	352,525	115,191
Deferred tax		
In respect of the current year	3,964	(1,119)
Shareholders' investment tax credits	24,601	(24,601)
	28,565	(25,720)
Income tax expense recognized in profit or loss	$ 381,090	$ 89,471

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 4,050,904	$ 2,684,148
Income tax expense calculated at the statutory rate	$ 810,181	$ 536,830
Nondeductible expenses in determining taxable income	(3,892)	8,239
Tax-exempt income	(436,450)	(315,305)
Income tax on unappropriated earnings	12,565	2,233
Shareholders' investment tax credits	(25,925)	(140,000)
Equipment's investment tax credits	(225)	-
Land value increment tax	-	550
Adjustments for prior years' tax	24,836	(2,991)
Others	-	(85)
Income tax expense recognized in profit or loss	$ 381,090	$ 89,471

b. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Bad debts in excess of the limit	$ 8,114	$ (3,259)	$ -	$ 4,855
Payable for annual leave	6,177	353	-	6,530
Unrealized loss on inventories	6,553	(409)	-	6,144
Unrealized exchange loss	4	230	-	234
Provision for warranties	12,499	666	-	13,165
Exchange differences on translation of the financial statements of foreign operations	91	-	75	166
Shareholders' investment tax credits	24,601	(24,601)	-	-
Others	5,440	(286)	-	5,154
	$ 63,479	$ (27,306)	$ 75	$ 36,248
Deferred tax liabilities				
Temporary differences				
Land value increment tax	$ 65,995	$ -	$ -	$ 65,995
Defined benefit plans	15,405	1,259	(458)	16,206
	$ 81,400	$ 1,259	$ (458)	$ 82,201

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Bad debts in excess of the limit	$ 9,285	$ (1,171)	$ -	$ 8,114
Payable for annual leave	6,021	156	-	6,177
Unrealized loss on inventories	4,455	2,098	-	6,553
Unrealized exchange loss	1	3	-	4
Provision for warranties	12,214	285	-	12,499
Exchange differences on translation of the financial statements of foreign operations	118	-	(27)	91
Shareholders' investment tax credits	-	24,601	-	24,601
Others	-	5,440	-	5,440
	$ 32,094	$ 31,412	$ (27)	$ 63,479
Deferred tax liabilities				
Temporary differences				
Land value increment tax	$ 65,995	$ -	$ -	$ 65,995
Defined benefit plans	4,672	5,692	5,041	15,405
	$ 70,667	$ 5,692	$ 5,041	$ 81,400

c. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2023	2022
Deductible temporary differences		
Impairment loss on financial assets	$ 122,669	$ 122,669

d. Income tax assessments

The income tax of the Company through 2021 have been assessed by the Tax Authorities.

26. EARNINGS PER SHARE

Units: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 8.80	$ 6.22
Diluted earnings per share	$ 8.79	$ 6.22

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2023	2022
Profit for the year	$ 3,669,814	$ 2,594,677

Shares

Unit: In Thousand Shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	417,091	417,091
Effect of potentially dilutive ordinary shares:		
Compensation of employees	245	290
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	417,336	417,381

The Company may settle the compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

   Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 8,928,191	$ -	$ -	$ 8,928,191
Unlisted shares - ROC	-	-	1,570,068	1,570,068
Unlisted shares in other country	-	-	175,116	175,116
	$ 8,928,191	$ -	$ 1,745,184	$ 10,673,375

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 8,785,760	$ -	$ -	$ 8,785,760
Unlisted shares - ROC	-	-	869,705	869,705
Unlisted shares in other country	-	-	158,820	158,820
	$ 8,785,760	$ -	$ 1,028,525	$ 9,814,285

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments: None

3) Valuation techniques and inputs applied for Level 2 fair value measurement: None

4) Valuation techniques and inputs applied for Level 3 fair value measurement: The fair values of unlisted equity securities - ROC were determined using market approach. The market approach is used to arrive at their par values for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 3,801,675	$ 2,496,178
Financial assets at FVTOCI		
Equity instruments	10,673,375	9,814,285
Financial liabilities		
Financial liabilities at amortized cost (2)	1,427,068	1,945,582
Lease liabilities	26,442	45,701

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables and other receivables, financial assets at amortized cost and refundable deposits.

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable and trade payables, other payables, guarantee deposits received, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Company's Corporate Treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There have been no changes to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 32.

Sensitivity analysis

The Company was mainly exposed to the Currency USD and Currency RMB.

The following table details the Company's sensitivity to an increase and a decrease in New Taiwan Dollars (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. The positive numbers in the following table indicate the amount of increase in net profit before tax when the New Taiwan Dollars depreciates by 5% relative to the relevant currencies; when the New Taiwan Dollars appreciates by 5% relative to the relevant foreign currencies, its impact on the net profit before tax will be the negative number of the same amount.

	USD Impact		**RMB Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ 2,008 *	$ 57 *	$ (274) *	$ (175) *

* This was mainly attributable to the exposure on outstanding demand deposits and payables in USD and RMB in cash flow hedges at the end of the year.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 2,288,943	$ 650,000
Financial liabilities	26,442	45,701
Cash flow interest rate risk		
Financial assets	554,183	582,909
Financial liabilities	-	500,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating-rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50-basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,771 thousand and $415 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, time deposits, and demand deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. The Company's equity price risk was mainly concentrated on equity instruments operating in Taiwan industry sector quoted in the Taiwan Stock Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, pre-tax profit for years ended December 31, 2023 and 2022 would have increased/decreased by $320,201 thousand and $294,429 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to equity prices increased due to the impact of equity price fluctuations.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk which may cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Company is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

The Company's concentration of credit risk of 31% and 12% of total trade receivables as of December 31, 2023 and 2022, respectively, were related to the Company's five largest customers. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized bank loan facilities as set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2023

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,311,164	$ 115,904	$ -
Lease liabilities	17,214	9,569	-
	$ 1,328,378	$ 125,473	$ -

December 31, 2022

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,362,298	$ 83,284	$ -
Lease liabilities	25,275	21,013	-
Variable interest rate liabilities	150,097	357,810	-
	$ 1,537,670	$ 462,107	$ -

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank facilities		
Amount used	$ 269,015	$ 366,317
Amount unused	5,864,985	5,917,683
	$ 6,134,000	$ 6,284,000
Secured bank facilities		
Amount used	$ 1,000,000	$ 1,200,000
Amount unused	380,000	180,000
	$ 1,380,000	$ 1,380,000

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related parties and their relationships

Related Party	Relationship with the Company
Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Company (related party in substance prior to October 2022)
Chang Yung-Fa Foundation	Became related party in substance in November 2022
Evergreen International Storage & Transport Corporation	Became related party in substance in November 2022
Evergreen International Corporation	Related party in substance (investor that has significant influence over the Company prior to October 2022)
Evergreen Security Corporation	Related party in substance
Ever Accord Construction Corporation	Related party in substance
EVA Airways Corporation	Related party in substance
Hsin Yung Enterprise Corporation	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	Subsidiary
Ever Ecove Corporation	Subsidiary
Ming Yu Investment Corporation	Subsidiary

b. Operating revenue

Related Party	For the Year Ended December 31 2023	2022
Investor that has significant influence over the Company	$ 170,741	$ 28,961
Related party in substance	5,199	143,866
	$ 175,940	$ 172,827

The sales conditions for related parties in substance were not significantly different from those sales made to the Company’s usual prices list. There was no comparable sales price between non-related parties and related party in substance for repairing containers.

c. Other income

Related Party	For the Year Ended December 31 2023	2022
Subsidiaries	$ 1,181	$ 1,751

d. Purchases of goods and expenses

Related Party	For the Year Ended December 31 2023	2022
Investor that has significant influence over the Company	$ 1,627	$ 3,388
Subsidiaries	342	585
Related party in substance	25,567	18,082
	$ 27,536	$ 22,055

The purchases to related parties had no significant differences with other non-related parties.

e. Contract assets

Related Party	December 31 2023	2022
Related party in substance	$ 23,696	$ 66,126

For the years ended December 31, 2023 and 2022, impairment loss both of $894 thousand, were recognized for contract assets from related parties.

f. Receivables from related parties

Trade receivables

Related Party	December 31 2023	2022
Investor that has significant influence over the Company	$ 31,697	$ 31,092
Related party in substance	19	19
	$ 31,716	$ 31,111

For the years ended December 31, 2023 and 2022, impairment loss of $0 thousand and $19 thousand, respectively, were recognized for trade accounts receivables from related parties.

Other receivables

Related Party	December 31 2023	December 31 2022
Subsidiaries	$ 126	$ 126

The outstanding trade receivables from related parties are unsecured.

g. Payables to related parties

Trade payables

Related Party	December 31 2023	December 31 2022
Related party in substance	$ 267	$ 319

Other payables

Related Party	December 31 2023	December 31 2022
Investor that has significant influence over the Company	$ 2	$ 1
Related party in substance	1,827	1,888
	$ 1,829	$ 1,889

The outstanding trade payables to related parties are unsecured.

h. Compensation of key management personnel

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 25,557	$ 24,294
Post-employment benefits	274	587
	$ 25,831	$ 24,881

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, provisional attachment and performance guarantees, etc.:

	December 31 2023	December 31 2022
Property, plant, and equipment, net	$ 1,250,425	$ 1,909,567
Financial assets at amortized cost	5,010	3,600
	$ 1,255,435	$ 1,913,167

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2023 and 2022 were as follows:

As of December 31, 2023 and 2022, unused letters of credit for purchasing of materials were as follows:

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	December 31	
Currency	**2023**	**2022**
NTD	$ 288,254	$ 198,364
USD	268	-

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,308	30.705 (USD:NTD)	$ 40,168
Financial liabilities			
Monetary items			
RMB	1,265	4.327 (RMB:NTD)	5,474

December 31, 2022

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 37	30.71 (USD:NTD)	$ 1,134
Financial liabilities			
Monetary items			
RMB	793	4.408 (RMB:NTD)	3,495

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

1) Financing provided: None.

2) Endorsements/guarantees provided: (Table 1).

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): (Table 2).

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisitions of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital: None.

6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: (Table 3).

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Names, locations, and related information of investees accounted for: (Table 4).

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: (Table 6).

EVERGREEN STEEL CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Amount Provided to Each Guarantee Party	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Evergreen Steel Corporation	Ever Ecove Corporation	Subsidiary	$ 12,155,021	$ 4,769,310	$ 1,927,310	$ 1,416,698	$ -	7.93	$ 12,155,021	Y	-	-	Note 2
		Evergreen Heavy Industrial Corp. (Malaysia) Berhad	All capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages	12,155,021	251,818	238,460	127,761	-	0.98	12,155,021	-	-	-	Note 2
1	Ming Yu Investment Corporation	Evergreen Steel Corporation	Parent company	5,046,060	1,201,220	1,201,220	1,201,220	-	476.10	5,046,060	-	Y	-	Note 3

Note 1: The Company and its subsidiaries are numbered as follows:

a. “0” for the Company.
b. Subsidiaries are numbered from “1”.

Note 2: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of the Company’s endorsements or guarantees for subsidiaries holding more than 50% of the shares is not limited by the above ratio, but the maximum shall not exceed 50% of the net value of the most recent financial statements of the Company.

Note 3: According to endorsement or guarantee provided regulation formulated by subsidiaries, the total amount of endorsement or guarantee that the Company is allowed to provide is up to 2,000% of the net worth value of the latest financial statements of the Company.

Note 4: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of endorsements or guarantees for subsidiaries is not limited by the above ratio, but the maximum shall not exceed 200% of the net value of the most recent financial statements of the Company.

TABLE 2

EVERGREEN STEEL CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Evergreen Steel Corporation	Ordinary shares							
	EVA Airways Corporation	Related party in substance	Financial assets at FVTOCI - non-current	196,202,763	$ 6,170,577	3.63	$ 6,170,577	
	Shin Kong Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	7,931,339	70,192	0.05	70,192	
	Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Company	Financial assets at FVTOCI - non-current	15,304,681	2,196,222	0.72	2,196,222	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTOCI - non-current	16,000,000	491,200	0.28	491,200	
	Taiwan Terminal Services Corporation	Related party in substance	Financial assets at FVTOCI - non-current	100,000	1,377	1.00	1,377	
	Taiwan Aerospace Corporation	-	Financial assets at FVTOCI - non-current	5,502,847	66,144	4.06	66,144	
	Pacific Resources Corporation	-	Financial assets at FVTOCI - non-current	19,195	994	2.56	994	
	Taiwan Incubator SME Development Corporation.	-	Financial assets at FVTOCI - non-current	7,689,240	74,278	10.90	74,278	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Related party in substance	Financial assets at FVTOCI - non-current	6,678,735	175,116	13.39	175,116	
	Dongwei Transportation Co., Ltd.	-	Financial assets at FVTOCI - non-current	660,000	6,019	18.86	6,019	
	Ever Accord Construction Corporation	Related party in substance	Financial assets at FVTOCI - non-current	8,249,969	147,015	12.50	147,015	
	UNI Airways Corporation	Related party in substance	Financial assets at FVTOCI - non-current	56,474,992	1,274,076	14.99	1,274,076	
	Evergreen Security Corporation	Related party in substance	Financial assets at FVTOCI - non-current	10,000	165	0.05	165	

EVERGREEN STEEL CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchaser/Seller	Related Party	Relationship	Transaction Details				Differences in Transaction Terms Compared to Third Party Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Evergreen Steel Corporation	Evergreen Marine Corporation (Taiwan) Ltd.	Investor that has significant influence over the Company	Sale	$ 170,741	2.08	15-45 days	Note	No significant difference	$ 31,697	4.78	

Note: No similar prices on revenue from containers repair to compare with investor that has significant influence over the Company.

EVERGREEN STEEL CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ACCOUNTED FOR
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Share of Profits/ Losses of Investee	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	Taiwan	Waste treatment, disposal and cogeneration	$ 992,666	$ 992,666	99,266,577	68.46	$ 1,967,083	$ 744,836	$ 509,913	Subsidiary
	Super Max Engineering Enterprise Co., Ltd.	Taiwan	Waste collection, treatment and disposal	594,441	594,441	24,147,144	48.13	1,008,568	218,252	105,036	Subsidiary
	Ever Ecove Corporation	Taiwan	Waste treatment, disposal and cogeneration	801,000	801,000	80,100,000	50.06	1,202,316	592,443	296,591	Subsidiary
	Ming Yu Investment Corporation	Taiwan	General investment activities	239,487	239,487	10,350,000	100.00	252,303	2,966	2,966	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	Kun Lin Engineering Co., Ltd.	Taiwan	Planning of wastewater, air and noise prevention; design, construction, sale, operation and maintenance of related equipment	18,000	18,000	4,999,999	50.00	167,910	65,902	32,951	Accounted for using equity method

Note: Refer to Table 5 for information on investments in mainland China.

EVERGREEN STEEL CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profit (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023	Note
					Outflow	Inflow							
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	Design, manufacture and installation of waste water, waste gas equipment and various piping	$ 12,282 (US$ 400)	c	$ 12,282 (US$ 400)	$ -	$ -	$ 12,282 (US$ 400)	$ 33,419 (RMB 7,602)	24.07	$ 8,042	$ 30,072	$ 62,114 (US$ 2,023)	

Accumulated Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
$ 12,282 (US$ 400)	$ 12,282 (US$ 400)	$ 16,692,620

Note 1: Investment methods are classified into the following three categories:

a. Directly invest in a company in Mainland China.
b. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
c. Others.

Note 2: The amount was recognized based on the audited financial statements.

TABLE 6

EVERGREEN STEEL CORPORATION

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Evergreen Marine Corporation (Taiwan) Ltd.	79,248,000	19.00
Chang, Kuo-Hua	25,756,820	6.17
Continental Engineering Corporation	25,645,907	6.14
Chang Yung-Fa Foundation	25,008,820	5.99
Chang, Kuo-Cheng	25,008,820	5.99

Note 1: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company’s financial statements may be different due to differences in the basis of preparation and calculation.

Note 2: According the above information, the delivery of shares to the trust by shareholders is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who acquire more than 10% of shareholding have to disclose their insider ownerships, including their own shares held and those shares delivered to the trust over which shareholders have the right to make decisions on trust property, etc. Information on insider ownership declaration is available at the Market Observation Post System website of the Taiwan Stock Exchange.

EVERGREEN STEEL CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

EVERGREEN STEEL CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Remark	Amount
Cash on hand		$ 2,915
Cash in banks		
Checking accounts and demand deposits	Note	259,490
Time deposits		1,339,917
Commercial paper		499,027
		$ 2,101,349

Note: Includes US$1,308 thousand at $30.705.

EVERGREEN STEEL CORPORATION

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Annual Interest Rates (%)	Maturity Date	Amount
Time deposits with original maturities of more than 3 months	1.48-1.57	2023.02.23-2024.08.14	$ 996,000
Pledged deposits	1.57	2023.03.15-2024.11.02	5,010
			$ 1,001,010

EVERGREEN STEEL CORPORATION

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Client A	$ 99,998
Client B	94,222
Client C	92,131
Client D	79,123
Client E	54,106
Client F	31,294
Others (Note)	170,868
	621,742
Less: Allowance for impairment loss	(48)
	$ 621,694

Note: The amount of individual client included in others does not exceed 5% of the account balance.

EVERGREEN STEEL CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Raw materials	$ 3,924,150	$ 3,897,117
Supplies	7,893	4,209
	$ 3,932,043	$ 3,901,326

EVERGREEN STEEL CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2023		Additions in Investment (Note 1)		Decrease in Investment (Note 2)		Balance at December 31, 2023		
Investees	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Collateral
EVA Airways Corporation	204,672,763	$ 5,761,539	-	$ 531,497	(8,470,000)	$ (122,459)	196,202,763	$ 6,170,577	N/A
Shin Kong Financial Holding Co., Ltd.	7,931,339	69,558	-	634	-	-	7,931,339	70,192	N/A
Evergreen Marine Corporation (Taiwan) Ltd.	15,304,681	2,494,663	-	-	-	(298,441)	15,304,681	2,196,222	N/A
Taiwan High Speed Rail Corporation	16,000,000	460,000	-	31,200	-	-	16,000,000	491,200	N/A
Taiwan Terminal Services Corporation	100,000	1,063	-	314	-	-	100,000	1,377	N/A
Taiwan Aerospace Corporation	5,502,847	64,163	-	1,981	-	-	5,502,847	66,144	N/A
Pacific Resources Corporation.	383,906	4,231	-	-	(364,711)	(3,237)	19,195	994	N/A
Taiwan Incubator SME Development Corporation	7,689,240	66,281	-	7,997	-	-	7,689,240	74,278	N/A
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	6,678,735	158,820	-	16,296	-	-	6,678,735	175,116	N/A
Dongwei Transportation Co., Ltd.	660,000	8,376	-	-	-	(2,357)	660,000	6,019	N/A
Ever Accord Construction Corporation	7,499,972	84,450	749,997	62,565	-	-	8,249,969	147,015	N/A
UNI Airways Corporation	56,474,992	640,991	-	633,085	-	-	56,474,992	1,274,076	N/A
Evergreen Security Corporation	10,000	150	-	15	-	-	10,000	165	N/A
		$ 9,814,285		$ 1,285,584		$ (426,494)		$ 10,673,375	

Note 1: The increase in investment from the stock dividends was 749,997 shares and unrealized (loss) gain on financial assets at FVTOCI was $1,285,584 thousand.

Note 2: The decrease in investment from the disposal of financial assets at FVTOCI was 8,470,000 shares which amounted to $122,459 thousand, and the unrealized (loss) gain on financial assets at FVTOCI was $300,870 thousand, and the investee's capital reduction was 364,711 shares and the amount of $3,165 thousand was refunded.

EVERGREEN STEEL CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2023		Additions in Investment		Decrease in Investment		Increase (Decrease) in Using the Equity Method	Balance at December 31, 2023			Market Value or Net Assets Value	
Investees	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Percentage of Ownership %	Amount		Collateral
Hsin Yung Enterprise Corporation (Note 1)	99,266,577	$ 1,893,245	-	$ -	-	$ (436,075)	$ 509,913	99,266,577	68.46	$ 1,967,083	$ 2,657,959	N/A
Super Max Engineering Enterprise Co., Ltd. (Note 2)	24,147,144	976,753	-	-	-	(73,221)	105,036	24,147,144	48.13	1,008,568	1,008,568	N/A
Ever Ecove Corporation (Note 3)	80,100,000	905,731	-	-	-	(6)	296,591	80,100,000	50.06	1,202,316	1,202,316	N/A
Ming Yu Investment Corporation (Note 4)	10,350,000	251,210	-	330	-	(2,203)	2,966	10,350,000	100.00	252,303	252,303	N/A
		$ 4,026,939		$ 330		$ (511,505)	$ 914,506			$ 4,430,270	$ 5,121,146	

Note 1: The decrease in investment based on the net defined benefit was $488 thousand; and on the unrealized (losses) gains on financial assets at FVTOCI was $38,521 thousand; and based on issued cash dividends was $397,066 thousand.

Note 2: The decrease in investment based on the net defined benefits was $401 thousand; and on the foreign currency exchange was $379 thousand; and based on issued cash dividends was $72,441 thousand.

Note 3: The decrease in investment based on the net defined benefit was $6 thousand.

Note 4: The increase in investment based on the unrealized (losses) gains on financial assets at FVTOCI was $330 thousand. The decrease in investment based on cash dividends was $2,203 thousand.

EVERGREEN STEEL CORPORATION

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
Vendor A	$ 176,738	
Vendor B	115,457	
Others	752,224	Note
	$ 1,044,419	

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

EVERGREEN STEEL CORPORATION

STATEMENT OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Tonnage	Amount
Construction contract revenue	97,055	$ 8,011,402
Revenue from container repair	-	185,038
Less: Sales return		(3,900)
		$ 8,192,540

STATEMENT 9

EVERGREEN STEEL CORPORATION

STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Inventory balance at the beginning of the year	$ 3,330
Add: Purchases, net	15,339
Less: Inventory balance at the end of the year	(3,278)
Others	(2,913)
Materials consumed	12,478
Direct labor	63,927
Manufacturing expenses	59,085
Manufacturing cost	135,490
Other cost of goods sold	
Add: Sales of material	43
Less: Sales scraps	(403)
Inventory write-downs reversed	(144)
Cost of goods sold for manufacturing sector	134,986
Invested construction cost	5,815,650
Other cost of goods sold	
Add: Others	43,305
Less: Sales scraps	(66,252)
Inventory write-downs reversed	(1,902)
Cost of operating for construction sector	5,790,801
	$ 5,925,787

EVERGREEN STEEL CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Total
Payroll and related expenses	$ 213,881	$ 108,765	$ 322,646
Insurance expenses	24,158	7,058	31,216
Others (not exceeding 5%)	44,607	53,993	98,600
	$ 282,646	$ 169,816	$ 452,462

EVERGREEN STEEL CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary	$ 299,599	$ 305,927	$ 605,526	$ 274,537	$ 278,105	$ 552,642
Labor and health insurance	27,672	20,988	48,660	26,394	19,315	45,709
Pension	9,788	11,276	21,064	10,516	11,228	21,744
Board compensation	-	16,719	16,719	-	16,181	16,181
Others	27,261	14,853	42,114	27,344	16,620	43,964
	$ 364,320	$ 369,763	$ 734,083	$ 338,791	$ 341,449	$ 680,240
Depreciation	$ 144,241	$ 6,787	$ 151,028	$ 148,091	$ 6,079	$ 154,170
Amortization	$ 262	$ 3,790	$ 4,052	$ 137	$ 3,070	$ 3,207

Note:

1. As of December 31, 2023 and 2022, the Company had 578 and 587 employees, respectively. Among them 7 directors did not serve concurrently as employees for both years.

2. a. For the years ended December 31, 2023 and 2022, the average labor cost was $1,256 thousand and $1,145 thousand, respectively.

   b. For the years ended December 31, 2023 and 2022, the average salary was $1,060 thousand and $953 thousand, respectively.

   c. The change in average salary was 11.23%.

   d. The Company had set an independent director, so it did not have supervisors for the years ended December 31, 2023 and 2022.

   e. The remuneration policies of the Company's directors, managers and employees are described as follows:

      1) General directors and independent directors

         In accordance with the Articles of Incorporation and the remuneration payment regulations for directors, if the Company has distributable profit of the current year, the ratio set for directors' remuneration shall not be higher than 2% of distributable profit; and in the total amount of directors' remuneration, individual directors' remuneration shall be allocated according to the degree of each directors' participation in the operation of the Company and the value of their contributions, as well as take into account the general pay levels of the industry.

      2) Remuneration of the general manager and the vice general manager is regulated in accordance with the remuneration payment regulations for managerial officers and is paid according to the Company's overall operating situation and the results of personal performance assessment.

      3) Fixed remuneration of the Company's employees is paid in accordance with the salary standard of each position and is adjusted according to the Company's revenue status, the general pay levels of the market and personal performance. In addition, variable remuneration such as employees' compensation and year-end bonus is paid in accordance with the Articles of Incorporation or the Company's operating result and personal performance.

      4) Remuneration of the directors and managerial officers shall be reviewed by the Company's remuneration committee and approved by the board of directors.